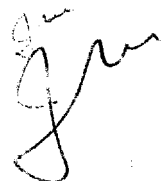


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2 May 1968

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MEMORANDUM FOR THE RECORD

SUBJECT: Retirement Incentives

1. Spoke with Robert Hull, Department of State, and learned that the constructive credit retirement incentive proposal which had been sent to me by Bill Woodyear on 29 February 1968 had cleared the Department, but had received a cold reception at the Civil Service Commission and the Bureau of the Budget. The primary objection is that it would be an unacceptable precedent for Federal Retirement Systems.

2. However, a counter proposal to provide for severance pay out of salary and expense funds is making some headway. The present thinking concerning augmentation of retirement is one week's salary for each year of service. This would result in a retirement supplemental equal to approximately a half year's salary. Hull said he would let us know if this proposal materializes, but he is not optimistic about early legislation action even if it does receive Administrative approval.

3. Hull also mentioned that the "Agency's success in handling its attrition problems" was brought up to State by BOB representatives as an argument against the need for additional supplemental retirement programs.

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4. I thanked Hull for the information and said we would respect its confidentiality as in the past. I informed [REDACTED] DDS, and asked that he in turn advise [REDACTED] of these developments and requested that it be treated on a confidential basis.

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